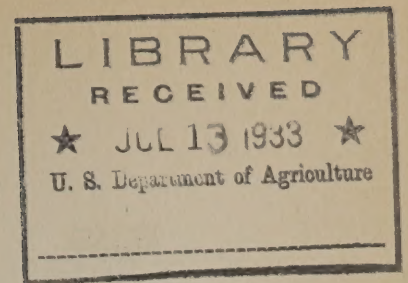


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MARKETING AGREEMENT PROPOSED BY THE
CO-OPERATIVE DAIRYMEN'S LEAGUE
and the
ALAMEDA COUNTY MILK DEALERS' ASSOCIATION
of
OAKLAND, CALIFORNIA
SUBMITTED WITH APPLICATION FOR
PUBLIC HEARING TO THE SECRETARY OF AGRICULTURE
AT WASHINGTON, D.C.

Form D

Washington, D. C.
June 26, 1933

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Washington, D.C.

June 26, 1933.

POLICY

A. It is the intent of this agreement:

To effect in the milk producing and distributing industry of the Alameda County, California, Metropolitan Area, the spirit, policy and purposes of The Agricultural Adjustment Act.

B. (1) That all producers of market milk, parties hereto, shall receive equitable prices for equal quality of market milk; (2) That all producers of market milk approved by the Health Departments of the cities in the area, as of May 31, 1933, shall, by establishment of quotas, share equitably the opportunity to sell market milk for distribution in the Alameda County Metropolitan Area; (3) That new producers may be included upon an equitable basis when and if the market requirement justifies an increased production.

C. That all producers on the market, whether or not affiliated with a producers' association, shall bear proportionally the following:

1. The service fees of such an association--not to exceed 1/2¢ per gallon.
2. The carrying of any surplus of market milk, first, as to the group; and second, as to individual producers.
3. The expenses of educational and advertising work conducted by the California Dairy Council, in the Alameda County Metropolitan Area.

D. That the position of milk distributors shall be identical as to purchasing prices and selling and resale prices of market milk and/or cream so that any inequality of benefits from the operation of business may be the natural result of variation in efficiency and/or quality.

E. To set up a price schedule that will respond with automatic change to variations in supply and demand, thus avoiding "milk wars at the time of such change."

MARKETING AGREEMENT PROPOSED BY THE
CO-OPERATIVE DAIRYMEN'S LEAGUE
and the
ALAMEDA COUNTY MILK DEALERS' ASSOCIATION
SUBMITTED WITH APPLICATION FOR
PUBLIC HEARING TO THE SECRETARY OF AGRICULTURE
AT WASHINGTON, D.C.

AGREEMENT

As used in this agreement, the following words and phrases shall be defined as follows:

- A. Contracting Producers, generally referred to herein as "Producers," means and includes all members of the Co-operative Dairymen's League, generally referred to herein as the "League," and all other producers and associations of producers having permits for the sale of market milk in the Alameda County Metropolitan Area, and who were shipping to that market on May 31, 1933, and who may become parties or subject hereto.
- B. Contracting Distributors, generally referred to herein as "Distributors," means and includes members of the Alameda County Milk Dealers' Association and such other market milk dealers as are engaged in distributing milk in the Alameda County Metropolitan Area, and who may become parties or subject hereto.
- C. Market Milk and/or Market Cream, as defined in the California Pure Milk Law, 1931, Section 2, Paragraph b.

- D. Alameda County, Metropolitan Area, means and includes the towns and cities of Oakland, Berkeley, Alameda, Piedmont, Emeryville, Albany, El Cerrito, Richmond, San Leandro, and Hayward, of California, and the suburban areas within one mile of their respective corporate limits.
- E. Alameda County Milk Shed, means and includes the counties of Alameda, Santa Clara, San Joaquin, Napa, Solano, Stanislaus, Monterey, Contra Costa, Sonoma, Santa Cruz and Yolo, of California.
- F. Quota Board, means a Board of three members composed of one representative from the Co-operative Dairymen's League, a representative to be selected by the Non-League producers and a representative to be selected by the Alameda County Milk Dealers' Association.
- G. Secretary, means the Secretary of Agriculture of the United States.
- H. Act, means the Act of Congress, passed May 12, 1933, the short title of which is "The Agricultural Adjustment Act."

THE PARTIES to this agreement are the "Contracting Producers", "Contracting Distributors", and the "Secretary".

WHEREAS, pursuant to the "Act" the parties hereto, for the purpose of correcting the conditions now existing in the marketing of market milk and/or cream in the "Alameda County Metropolitan Area", desire to enter into a marketing agreement under the provisions of the "Act", and

WHEREAS, the Co-operative Dairymen's League, a California co-operative of 148 producers, and the following producers not members of the "League":

J. Affonso & Son
Spring Valley Co., Ltd.
L. Mini Estate Co.
Wilbur Stewart
A. J. Braga
Burroughs Bros.
J. P. Rose
George Eckhart
Golden State Ranch
Zwissig Bros.
Clarence H. Davis
Inlig Bros.
Chas. Schelbert
James N. Fulmer

Joseph Scarafoni
Geo. A. Davis
Elmer McNair
J. P. Burroughs
Ralph L. Emerson
Louis Fuchs
Chas. Stornetta
J. J. Jensen
Horat Bros.
Archer Stutt
J. Holdener
A. M. Borba
John Wiffle
Meadowlark Dairy Corp.,

supply more than 90 per cent of the market milk produced for distribution in the "Alameda County Metropolitan Area" and represent that they have the power and authority to enter into this agreement, and

WHEREAS, the members of the Alameda County Milk Dealers' Association distributes more than 90 per cent of the market milk consumed in the "Alameda County Metropolitan Area", which said market milk comprises substantially all of the market milk supplied by the Co-operative Dairymen's League and the aforesaid various dairymen, and

WHEREAS, the production, processing, distribution and marketing of market milk produced in the "Alameda County Milk Shed" for distribution in the "Alameda County Metropolitan Area" is inextricably intermingled with the production, processing and marketing of milk and cream for manufacturing into butter and other manufactured milk products by the "Distributors" and others, and

WHEREAS, the price received by "Producers" from the "Distributors" and the price properly receivable by the "Distributors" from the consuming public is dependent upon the price of butter and other products made from

surplus milk produced by the "Producers" and others within and without the State of California, and

WHEREAS, fluid milk, fluid cream, butter and other manufactured products produced, processed, manufactured and distributed in the "Alameda County Metropolitan Area" and the "Alameda County Shed" enter into and affect both the current of interstate and foreign commerce and the current of intrastate commerce which are inextricably intermingled.

NOW, THEREFORE, in consideration of the premises the parties hereto agree as follows:

BUYING PRICE

1. The prices at which market milk shall be sold by the "Producers" and purchased by the "Distributors" for distribution or consumption in the "Alameda County Metropolitan Area", shall be those set forth in Exhibit B, which is attached hereto and made a part hereof. The prices set forth in Exhibit B may be changed as provided for in the terms as set forth therein, upon written approval of the "Secretary".

DAIRY COUNCIL

2. For the purpose of conducting advertising and publicity campaigns and generally for the advancement of the interest of the industry in the "Alameda County Metropolitan Area", and as a part of the price paid to "Producers", amounts not to exceed 1/4 cent per pound butterfat, not in excess of quota, may be paid to California Dairy Council, a non-profit association, organized and existing under the laws of the State of California. The "Distributors" hereby agree to support California Dairy Council in the aggregate identical amount per pound butterfat as that paid by the "Producers".

SERVICE FEES

3. All "Producers" whether Members or Non-Members of the Co-operative Dairymen's League shall pay to the "League" similar fees per gallon of milk or per pound of milk fat as shall be determined by the "League" for services such as testing, recording, and accounting for all milk sold to "Distributors", providing said fees do not exceed 1/2 cent per gallon of milk. To provide for payment of Non-League producers' fees the deductions shall be made by the "Distributors" from payments to such "Producers", and the moneys so deducted shall be paid by the "Distributors" to the "League".

STANDARDS

4. The standards governing the production, receiving, transportation, weighing, testing, processing, bottling and distribution of "market milk" sold or distributed in the "Alameda County Metropolitan Area" shall be those established by the State, and the health ordinances and regulations of the Health Departments of the cities within that area, together with such other provisions as are included in Exhibit A which is attached hereto and made a part hereof.

QUOTA AND BUYING PLAN

5. The quota and buying plan governing the marketing of milk which is attached hereto, made a part hereof, and marked Exhibit B, shall be binding upon the "Producers" and upon the "Distributors" as to all matters therein required on their part to be performed. Such quota and buying plan may be modified by agreement between the "Producers" and the "Distributors", provided, however, that such modified plan shall become effective only upon the written approval of the "Secretary".

ACCOUNTS

6. The "Producers" and the "Distributors" shall, as and to the extent required by the "Secretary", severally maintain systems of accounting which shall be satisfactory to the "Secretary", and their respective books and records shall be subject to his examination during the usual hours of business and they shall severally from time to time furnish to the "Secretary" on and in accordance with forms to be supplied by the Department of Agriculture such information as the "Secretary" may request.

SELLING AND RESALE PRICES

7. The wholesale and retail prices at which market milk, market cream, and special milk shall be sold in the "Alameda County Metropolitan Area" shall be those set forth and/or defined in Exhibit C, which is attached hereto and made a part hereof.

EFFECTIVE DATE

8. This agreement shall become effective at such time as the "Secretary" may determine and shall continue in force until the last day of the month following the aforesaid effective date and thereafter from month to month, except that:

TERMINATION

9. (a) The "Secretary" may terminate this agreement on the 20th day of any month (and shall upon request of either 75 per cent of the "Producers" or 75 per cent of the "Distributors", such percentages to be measured by volume of market milk produced and/or distributed, respectively) by notice in writing deposited in the registered mail and addressed to the Co-operative Dairymen's League and the aforesaid various dairymen, and Alameda County Milk Dealers' Association, at the respective addresses now on file with the "Secretary"

(b) The "Secretary" may for good cause shown as of the end of any month terminate this agreement as to any party or parties signatory hereto by notice in writing deposited on or before the 20th day of such month in the registered mails and addressed to such party or parties at the address or respective addresses on file with the "Secretary."

(c) This agreement shall in any event terminate whenever Title I of the "Act" shall cease to be in effect or whenever the President or Congress shall terminate those provisions of the "Act" which authorized this agreement.

10. The benefits, privileges and immunities conferred by virtue of this agreement shall cease to exist upon the termination of this agreement and the benefits, privileges and immunities conferred by virtue of this agreement, upon any party or parties signatory hereto, shall cease to exist upon the termination of this agreement as to such party or parties.

AMENDMENT

11. This agreement may be amended as to any of its terms upon agreement of 75 per cent of the "Producers" and 75 per cent of the "Distributors" with the approval of the "Secretary".

SUSPENSION CLAUSE

12. In the event that at any time during the existence of this agreement some other cause intervenes beyond the control of either the "Distributors" or the "Producers", the result of which renders it impossible or impracticable for either the "Producers" to deliver milk to the "Distributors" or the "Distributors" to receive, process or resell same as provided under the provisions of Exhibits A and B hereof or elsewhere in this agreement, then and in that event the "Secretary" shall have the right to suspend this agreement retroactive if equitable and no liability shall attach to either the

"Producers" or "Distributors" during such period of suspension.

INCLUSION OF ALL PARTIES AFFECTED

13. Producers and distributors of market milk and/or cream who are not individually or through membership in associations signers hereof or bound hereby shall become bound by the terms of this agreement in such manner and at such time as the "Secretary" in his sole discretion and in accordance with the law, may declare.

IN WITNESS HEREOF, said contracting parties have executed these presents this _____ day of June, 1933.

CONTRACTING PRODUCERS

Co-operative Dairymen's League

By _____
President

CONTRACTING DISTRIBUTORS

SECRETARY

Washington, D.C.

EXHIBIT A
QUALITY, SOURCE, TRANSPORTATION, ETC.

QUALITY

All market milk delivered to the "Distributors" by the "Producers" shall be of good quality and shall be good, sweet, unadulterated marketable cows' milk, fit for human consumption, and shall conform to all the requirements of laws of the State of California, and the cities of the "Alameda County Metropolitan Area". The "Producers" shall not deliver, and the "Distributors" shall not be obligated to accept any milk that does not in all respects conform to the provisions contained in this paragraph.

Any "Distributor" shall have the right to reject any milk delivered by the "Producers" hereunder which contains any foreign flavor or odor from any reason or cause whatsoever; provided, however, that in the event of any such rejection, and before exercising the right to reject the milk, the "Distributor" shall first notify the "Producer", or a city inspector, of such intended rejection, and permit an inspection of said milk by a duly authorized agent of the "Producer", within six hours after receipt of such notice; provided that if such inspection is not made within said time, the "Distributor's" right to reject shall not be subject to dispute or attack. In the event of disagreement as to the right to make such rejection, the adjudication thereof shall be referred to the Health Department, or Health Officer, of such city or district in which the plant to which said milk was delivered is located, and such authority shall determine the acceptance or rejection of said milk and such determination shall be final and binding on both parties.

PRODUCTION AND DESIGNATION OF SOURCE

All milk sold and delivered under the provisions of this agreement shall be produced by and on the dairies operated by the "Producers".

The "Producers" shall cause ice or refrigerator machines to be maintained and operated in their dairy plants, and all milk to be delivered to the "Distributors" shall immediately after milking be cooled by the use of such machines to a temperature of 40 degrees Fahrenheit or lower, and shall be held at a temperature not higher than 45 degrees Fahrenheit until delivery of the milk for transportation.

The "Producers" shall likewise cause milking equipment and dairy utensils of types approved by the respective cities' Health Department to be installed in all of the dairies operated by them. All milking equipment and utensils which come into contact with the milk to be delivered to the "Distributors" shall be cleaned and sterilized immediately after each milking.

Any "Distributor" or its representative shall at all times have a right to enter and examine and inspect the dairies which produce milk for the "Distributor" and shall have the right to take samples of milk therefrom, without charge.

DELIVERY OF MILK

The "Distributors" shall furnish all cans to contain the milk shipped to them. The delivery of milk to the "Distributors" shall be made in conformity with the reasonable requirements and operating methods of the "Distributors" as they may individually from time to time direct, establish, or place in operation.

The deliveries of milk by each "Producer" shall, unless otherwise specifically provided, be made in accordance with the transportation schedule of the "Distributor" at the "Producers'" shipping platforms on a passable and accessible road in the vicinity of the dairy ranch; provided, however, that the transportation schedules of the "Distributors" shall conform to fair and reasonable times of milking. The "Distributors" shall have the right to select

the shipping platform location of each "Producer" provided the location shall not be an unreasonable distance from the dairy and shall be in the direct line of travel between the dairy and the "Distributor's" plant,

The rates for transportation from the respective "Producer's" platform to the "Distributor's" plant shall be as at present established. These present rates, however, are subject to prompt revision in accordance with common carrier rates now available. (Detail of revised rates to be submitted at Hearing).

WEIGHING AND TESTING

For the purpose of this agreement, a gallon of fluid milk shall be equivalent to 8.6 pounds.

The weights and samples of all milk delivered by the "Producers" to the "Distributors" shall be taken and recorded by the respective "Distributors" at their plants upon receipt of the milk. For the purpose of verification, any "Producer" may have a representative present at any weighing, testing, or recording, which such "Producer" may elect, and such representative may take samples of the milk for test and temperature.

For the purposes of this agreement, in determining quantities for applying the purchase price, the tests for butterfat content (also referred to as milk fat content) with respect to each "Producer's" milk shall be made from a composite sample taken daily from such milk deliveries for a continuous period not in excess of eight days. For determining the number of bacteria per cubic centimeter contained in the raw milk as received, the sample for test with respect to each "Producer's" milk shall be taken from any one shipment to the "Distributor" during each period hereinabove stated, and the bottles containing sample milk for bacteria count shall be kept iced until the sample is used.

The "Distributors" shall facilitate in every practicable way the receipt of milk at their plants and the determination of its acceptance or rejection with respect to each "Producer's" shipment.

EXHIBIT B

QUOTA AND BUYING PLAN

BUYING PRICE AND SELLING PRICE ADJUSTMENT PLAN

The parties hereto are agreed that the buying price of market milk has some relationship to the San Francisco wholesale 92 score butter market quotation, as reported by the Bureau of Agricultural Economics, United States Department of Agriculture.

However, it is agreed that a shift from one Schedule to another, as provided for in the following "Buying and Selling Price Formula," shall be made only after a definite maladjustment between the butter market and market milk buying price has occurred. Such maladjustment shall be deemed to have occurred whenever, for a period of 31 days, the average daily prices of the San Francisco wholesale butter market shall have moved into the Schedule next below or next above, as given in the prescribed formula.

In event the parties herein fail to agree in interpretation of the facts, the records of the San Francisco office, Bureau of Agricultural Economics, United States Department of Agriculture, shall be their guide. Then, if unable to agree, either party may appeal to the "Secretary" for guidance and his decision shall be final.

Furthermore, and as an additional safeguard to the stability of the market, it is agreed that the parties hereto may request the "Secretary" to review the price structure: (1) In event a surplus of market milk in excess

of 10 per cent of market requirements should develop; (2) In event of an insufficient supply of market milk; (3) For any other good and sufficient reason.

BUYING AND SELLING PRICE FORMULA:

	Control Price range per pound of 92 score butter as reflected by the San Francisco wholesale butter market	Market Milk Buying price, or price to "Producer's f.o.b. "Distributors'" plants		"Distributors'" selling price and Stores' resale prices per quart		
		Standard 30 day buying order price per pound butterfat	Premium per gallon for additional market milk required	Price to Stores	Price from Stores	"Distrib- utor" or Stores' Home Deliv- ered price

	A	B	C	D	E	F	G
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As proposed by the "Producers":

I	\$.20	\$.52	\$.09	\$.09	\$.10	\$.10
II	\$.21 to .25	.59	.10	.10	.11	.11
III	.26 to .30	.66	.12	.11	.12	.12
IV	.31 to .35	.74	.14	.12	.13	.13

As proposed by the "Distributors":

I	\$.20	\$.46	\$.09	\$.07	\$.09	\$.10
II	\$.21 to .25	.53	.10	.08	.10	.11
III	.26 to .30	.60	.12	.09	.11	.12
IV	.31 to .35	.68	.14	.10	.12	.13

It is agreed by the parties hereto that any reduction in transportation rates shall not affect the buying prices as set forth in the above formula.

BUYING PLAN

It is agreed that the parties hereto will establish a "Quota Board" of three members; one representative from the Co-operative Dairymen's League, a representative to be selected by the Non-League producers of the market, and a representative to be selected by the Alameda County Milk Dealers' Association. The decisions of the "Quota Board" shall be subject to appeal to the "Secretary."

The respective "Distributors" on or before the 25th day of each month shall advise in writing the "Quota Board" of their average daily market milk requirements (also referred to as "Standard Buying Orders"), stated in daily gallons, which will fix the constant daily shipments to each "Distributor" for the ensuing calendar month--no reductions to be allowed for Sunday or holiday shipments.

The foregoing prescribed buying prices shall be for the "Distributors'" market milk requirements (including route returns or 'come-back' milk) of the "Distributors", meeting the requirements of the State, and of the Health Departments in the "Alameda County Metropolitan Area," and having a bacteria count not to exceed 25,000 per cubic centimeter. There shall be deducted, as a penalty, three cents per pound butterfat for milk having a bacteria count in excess of 25,000 per cubic centimeter. Bacteria penalty deductions made by the "Distributors" from remittances to "Producers" shall be paid to the "League". Such moneys received by the "League" shall be deposited by it in a fund, the disbursements from which shall be made only at the order of the "Quota Board", and for purposes to be approved by the "Secretary".

Further, for all milk deliveries degraded by the Health Departments or degraded by the "League", the purchase price to be paid by "Distributors" to the "Producers" with respect to such deliveries shall be effective manufacturing milk price f.o.b. the dairy ranch for the month of delivery. This

price shall be the average quotation for factory milk of the Ripon, Tracy, Manteca, Patterson and Newman condenseries.

Any "Distributor" requiring market milk in excess of its "Standard Buying Orders" shall buy such milk from the Co-operative Dairymen's League, and shall give to the "League" 48 hours advance notice of such increased requirements. The price to be paid for such additional milk requirements shall be the buying price set forth in Column "C" plus the premium set forth in Column "D" of the foregoing "Buying and Selling Price Formula". The monthly sales receipts of this milk, over and above the effective sweet cream or manufacturing milk value, shall be applied with the approval of the "Quota Board" as a credit to the surplus burden proportionately borne by the "League" producers and the Non-League producers, or if there is no such burden same will be proportionately distributed to the "Producers" in cash.

The exchange value for any transfers of milk, which in an emergency may be necessary between "Distributors" shall be not less than the buying price set forth in Column "C" plus the premiums set forth in Column "D" of the foregoing formula.

Under no condition shall milk of market milk quality for uses other than market milk purposes be purchased by any "Distributor" from "Producers" for less than the sweet cream price f.o.b. the dairy ranch for market sweet cream meeting the requirements of the Oakland Health Department for bottled sweet cream. Route returns and 'come-back' milk shall be considered as milk used for market milk purposes.

The effective sweet cream price f.o.b. the dairy ranch to be used with respect to surplus milk, or milk used for other than market milk purposes, shall be determined each month by the "League" and shall represent

the average of the prices paid by the following manufacturing plants during the month of delivery of milk for sweet cream of like quality:

Borden-Western	Gustine
Dairymaid	Tracy and Hughson
Lucerne	Manteca
Los Banos Dairymen's Ass'n.	Los Banos
Gustine Creamery	Gustine
Golden State	Los Banos

BASIS FOR PRODUCERS' QUOTAS

The "Quota Board" shall establish shipment quotas for each "Producer" shipping to the "Alameda County Metropolitan Area" to cover the combined daily "Standard Buying Orders" for market milk requirements of each "Distributor". "Producers" shall be obliged to produce and to ship to the "Distributors'" plants only the pro rata gallons as ordered by the "Quota Board", and the "Distributors" shall obligate themselves to receive and purchase at the price set forth in Column "C" of "Buying and Selling Price Formula", only the said daily gallons ordered by them.

It is recognized by the "Producers" that surplus market milk in the "Alameda County Metropolitan Area" constitutes a menace to both the distributing and producing industry. For equalizing the shipment of milk required by the "Distributors" for market milk purposes, quotas for "Producers'" daily milk shipments shall be established by the "Quota Board" for all members of the "League", and for each Non-League producer, and for each distributor owned herd.

Basic quotas so established for the "Producers" shall represent the daily average of the total fluid pounds of milk shipped by each "Producer" for the months of September, October, November and December of 1932; unless, due to the loss of milking herd cows in connection with the eradicating of tuberculosis, the shipments similarly determined for the months of September,

October, November and December, 1931, were greater than such shipments for 1932, the basic quotas for such "Producers" may be established from the 1931 shipments. Basic quotas may also be established from a combination of both years' shipments.

QUOTA REVISIONS

For the purpose of the regulation and control of surplus milk, the "Quota Board" may uniformly and proportionately revise all "Producers'" quotas in relation to respective basic quotas as necessary. Decisions of the "Quota Board", subject to the appeal of the "Secretary", shall be binding upon all parties concerned.

RECOGNITION OF SWEET CREAM PRODUCERS, AND OF NEW PRO- DUCERS ON THE MARKET

It is understood and agreed that the parties hereto recognize the rights on the market of the "sweet cream" producers and distributors and will join with them in a proper plan for the protection of their rights when and if the market conditions justify such action.

Although the present market milk production of the "Producers" is greatly in excess of requirements for market milk purposes, the parties hereto agree that, should marketing conditions permit, new producers will be allowed. Basic quotas for new producers shall be established by the "Quota Board", provided, however, that such basic quotas so established shall for the first 12 months of shipment not exceed 75 per cent of the preceding 12 months' production.

REPORTS FROM THE DISTRIBUTORS TO THE CO-OPERATIVE DAIRYMEN'S LEAGUE

Each "Distributor" shall report to the "League" weekly on the "League's"

standard "Form One" the information required therein with respect to tanks, fluid pounds, butterfat test, butterfat pounds, and bacteria count, for all milk received by it from all sources. The weekly reports aforesaid shall be forwarded to the "League" in accordance with the dates specified in said "Form One" and the monthly recapitulation of "Form One" shall be forwarded to the "League" not later than the tenth day of the month following delivery of the milk reported therein.

Each "Distributor" shall also report to the "League" not later than the tenth day of the month following delivery, the summary of all milk received during the month as may be requested in form by the "League". Such summary statements shall be signed and sworn to by the "Distributor" - owner, or by the plant superintendent together with the "Distributor's" accountant or bookkeeper.

PAYMENTS BY DISTRIBUTORS TO PRODUCERS

The collective payment to the "League" for milk delivered by its members and for fees and surplus provisions deducted from Non-League producers, as well as the payments to all other "Producers", shall be made by the "Distributors" on the 15th day of each and every month during the existence of this agreement, with respect to all milk received by them during the preceding calendar month.

Realizing that it is essential that payments be promptly made to "Producers", no delay in payments shall be allowed beyond the 18th day of the month for the previous month's deliveries. Any of the "Producers" at their option may at any time and without notice cease shipments of milk to any "Distributor" if non-payment of any portion of the preceding month's deliveries continues beyond the 18th day of the month, and at the option of

the said "Producer" all other moneys owing by such delinquent "Distributor" to the "Producer" whether evidenced by notes or otherwise, and irrespective of dates of maturity, shall be immediately due and payable to the "Producer", or to the "League".

EXAMINATION OF DISTRIBUTORS' MARKET MILK AND MANUFACTURING OPERATIONS

For the purpose of insuring the uniform and faithful performance of this agreement with respect to all "Distributors", it is understood that the "League" may at any time examine any of the respective purchase, sales, or product processing and/or manufacturing reports or records of any "Distributor". Such examination shall be made by any recognized firm of Certified Public Accountants, or, any other person approved by the "Distributors". Examinations shall be made at not less than three month intervals. An inspector from the "League" shall be privileged to examine the processing operations of any "Distributor" at any time.

EXHIBIT C

SELLING AND RESALE PRICES

The selling and resale prices set forth in the Schedule annexed hereto shall be charged by milk distributors in the "Alameda County Metropolitan Area" so long as Schedule II of the "Buying and Selling Price Formula" in Exhibit B of this agreement is in force and effect. In event of changes in buying prices as set forth in Exhibit B of this agreement, the selling and resale prices shall be altered in harmony with such changes, or vice versa, and such changes shall be subject to the approval of the "Secretary".

In effecting sale under the "Wholesale Price List", "Distributors" shall make a charge of 3 cents for each bottle in addition to the price set forth herein for the contents thereof.

So long as this agreement remains in force and effect the "Distributors" or their peddlers, sub-distributors or agents shall and will at all times maintain and observe the Minimum Selling and Resale Prices herein provided for.

Any discount, concession, rebate, premium, service, special cap without charge, use of facilities without just rental charge, given to a customer or any concession in the price of other commodities sold by any "Distributor" or its peddlers, sub-distributors or agents, shall be construed as a reduction in the prices herein set forth.

The "Producers" jointly with the "Distributors" shall, so long as this agreement remains in force and effect, share equally the cost of maintaining a regular inspector for the purpose of investigating and reporting upon violations with respect to the price schedule annexed hereto. Said aggregate cost of employing an inspector shall not exceed \$400.00 per month. This is in agreement with the present practice prevailing in the "Alameda County Metropolitan Area".

TO BE APPLIED WITH SCHEDULE II EXHIBIT B AS PROPOSED BY PRODUCERS

SCHEDULE OF MINIMUM SELLING

AND RESALE PRICES

		Wholesale Price List	Stores' Selling Price	"Distributors'" or Stores' Home Delivered Price
Pasteurized	3 Gallon can	\$1.00		
Grade "A" milk	2 Gallon can	.70		
	1 Gallon can	.35		
	Quart	.10	\$.11	\$.11
	Pint	.07	.08	.08
	1/3 Quart	.04		
	1/2 Pint	.03		
Grade "A"	Quart	.11	.12	.12
Raw milk	Pint	.07	.08	.08
Certified milk	Quart	.16	.17	.17
	Pint	.11	.12	.12
Buttermilk	3 Gallon can	.50		
	Quart	.09	.10	.10
	Pint	.06	.07	.07
Goat milk	Quart	.28	.30	.30
	Pint	.18	.20	.20
Acidophilus	Quart	.28	.30	.30
	Pint	.18	.20	.20
Youghurt	Quart	.10	.12	.12
	Pint	.07	.08	.08
	1/2 Pint	.035		
Skim milk	Gallon	.15		
	Quart	.08	.10	.10
Table cream	Gallon	1.10		
20% to 22%	Quart	.30		
Table cream	10 Gallons or more, 25¢ per pound			
28% to 30%	butterfat over S.F. 92 score			
	butter quotation			
	3 to 9 gallon cans	\$1.35 per gallon		
	Quart	.40		.75
	Pint	.25		.38
	1/2 Pint	.17	.20	.20
	1/4 Pint	.08	.10	.10
Pastry cream	10 Gallons or more, 25 ¢ per pound			
37% to 40%	butterfat over S.F. 92 score			
	butter quotation			
	3 to 9 Gallons	1.75 per gallon		

SCHEDULE OF MINIMUM SELLING

AND RESALE PRICES

(continued)

		Wholesale	Stores'	"Distributors'"
		Price	Selling	or Stores'
		List	Price	Home
				Delivered
				Price
Pastry cream (Cont.)				
3 7/8 to 40%	Quart	\$.55		\$.90
	Pint	.30		.50
	1/2	.20	\$.25	.25
	1/4	.11	.13	.13
Sour cream	Gallon			1.50
	Quart			.45
	Pint			.25
	1/2 Pint			.15

(The foregoing minimum selling and resale prices apply to the buying price and the selling prices of Schedule II of the "Buying and Selling Price Formula" of Exhibit B hereof as proposed by the "Producers".)

Bulk milk containing butterfat in excess of 3.8 per cent shall be sold at an additional price of 1¢ per gallon for each additional .01 per cent butterfat.

Bottled milk not to exceed 4 per cent butterfat.

Grade "A" pasteurized milk double capped shall not exceed 4.3 per cent butterfat and shall sell for 1¢ per unit over regular capped milk.

All special capped milk shall sell for 1¢ per unit over regular capped milk.

Milk sold in 1/2 pint bottles testing over 4 per cent butterfat shall be sold by "Distributors" at 1¢ additional to regular price.

3¢ deposit on all store bottles.

TO BE APPLIED WITH SCHEDULE II EXHIBIT B AS PROPOSED BY DISTRIBUTORS

SCHEDULE OF MINIMUM SELLING

AND RESALE PRICES

		Wholesale Price List	Stores' Selling Price	"Distributors'" or Stores' Home Delivered Price
Pasteurized	3 Gallon can	\$.90		
Grade "A" Milk	2 " "	.64		
	1 " "	.32		
	Quart	.08	\$.10	\$.11
	Pint	.06	.07	.08
	1/3 Quart	.04		
	1/2 Pint	.03		
Grade "A"	Quart	.09	.11	.12
Raw Milk	Pint	.06	.07	.08
Certified Milk	Quart	.16	.17	.17
	Pint	.11	.12	.12
Buttermilk	3 gallon can	.50		
	Quart	.08	.09	.10
	Pint	.05	.06	.07
Goat Milk	Quart	.28	.30	.30
	Pint	.18	.20	.20
Acidophilus	Quart	.23	.30	.30
	Pint	.18	.20	.20
Youghurt	Quart	.10	.12	.12
	Pint	.07	.08	.08
	1/2 Pint	.035		
Skim Milk	Gallon	.15		
	Quart	.08	.10	.10
Table cream	Gallon	1.10		
20% to 22%	Quart	.30		
Table cream	10 gallons or more,	.25 per pound		
23% to 30%	butterfat over S.F. 92 score	butter quotation		
	3 to 9 gallon cans	1.35 per gallon		
	Quart	.40		.75
	Pint	.25		.38
	1/2 Pint	.16	.19	.20
	1/4 Pint	.08	.10	.10

SCHEDULE OF MINIMUM SELLING

AND RESALE PRICES

(continued)

		Wholesale Price List	Stores' Selling Price	"Distributors" or Stores' Home Delivered Price
Pastry cream 37% to 40%	10 gallons or more	\$.25 per pound		
	butterfat over S.F. 92 score			
	butter quotation.			
	3 to 9 gallons	1.75 per gallon		
	Quart	.55		\$.90
	Pint	.30		.50
	1/2 Pint	.19	\$.23	.25
	1/4 Pint	.10	.12	.13
Sour cream	Gallon			1.50
	Quart			.45
	Pint			.25
	1/2 Pint			.15

(The foregoing minimum selling and resale prices apply to the buying price and the selling prices of Schedule II of the "Buying and Selling Price Formula" of Exhibit B hereof as proposed by the "Distributors".)

Bulk milk containing butterfat in excess of 3.8 per cent shall be sold at an additional price of 1¢ per gallon for each additional .01 per cent butterfat.

Bottled milk not to exceed 4 per cent butterfat.

Grade "A" pasteurized milk double capped shall not exceed 4.3 per cent butterfat and shall sell for 1¢ per unit over regular capped milk.

All special capped milk shall sell for 1¢ per unit over regular capped milk.

Milk sold in 1/2 pint bottles testing over 4 per cent butterfat shall be sold by "Distributors" at 1¢ additional to regular price.

3¢ deposit on all store bottles.

SUPPLEMENTARY DATA SUBMITTED
by the
CO-OPERATIVE DAIRYMEN'S LEAGUE
and the
ALAMEDA COUNTY MILK DEALERS' ASSOCIATION
of
OAKLAND, CALIFORNIA

For consideration by the Secretary of
Agriculture in connection with proposed
market milk buying and selling price
structures applicable to the Alameda
County Area.

Washington, D. C.

June 26, 1933.

EFFECT OF COMPARATIVE PRICE STRUCTURES ON
 "DISTRIBUTORS'" SPREADS PER GALLON OF MILK;
 BASED UPON COST OF 4 PER CENT MILK FAT.

Schedule Showing No Store and Home Price Differential:

Buying Price Per Pound Butterfat f.o.b. "Distributors'" Plants	Selling Prices Per Quart			Wholesale Structure		
	Price to Stores	Stores' Resale Price	Home Delivered Price	Selling Price	Cost	Spread
\$.50	\$.08	\$.10	\$.10	\$.32	\$.1720	\$.1480
.51	.085	.10	.10	.34	.1754	.1646
.52	.09	.10	.10	.36	.1788	.1812
.57	.088	.11	.11	.352	.1961	.1559
.57	.09	.11	.11	.36	.1961	.1639
.58	.095	.11	.11	.38	.1995	.1805
.59	.10	.11	.11	.40	.2030	.1970
.64	.096	.12	.12	.384	.2201	.1639
.64	.10	.12	.12	.40	.2201	.1799
.65	.105	.12	.12	.42	.2236	.1964
.66	.11	.12	.12	.44	.2270	.2130
.72	.104	.13	.13	.416	.2477	.1683
.72	.11	.13	.13	.44	.2477	.1923
.73	.115	.13	.13	.46	.2511	.2089
.74	.12	.13	.13	.48	.2546	.2254

For Comparison:

Alameda County Metropolitan Area
Structure from May 6, 1932 to April 15, 1933:

\$.63	\$.08	\$.10	\$.12	\$.32	\$.2059*	\$.1141
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Alameda County Metropolitan Area
Structure now in effect, June 26, 1933:

\$.51	\$.07	\$.09	\$.11	\$.28	.1666*	.1134
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			"Distributors"		
			Aggregate Average		
			Spreads Per Gallon		
			If No Store		
Retail			Differential		
Structure			Prompt		
			Change to		
			Goal Within		
			6 Mo. to Year		
			75% Retail		
Selling	Cost	Spread	Present	50% Whol.	50% Retail
Price			Business	50% Whol.	50% Retail
			58% Whol.	50% Whol.	50% Retail
			42% Retail	50% Retail	75% Retail
\$.40	\$.1720	\$.2280		\$.1880	\$.2080
.40	.1754	.2246		.1946	.2096
.40	.1788	.2212		.2012	.2112
.44	.1961	.2439		.1999	.2219
.44	.1961	.2439		.2039	.2239
.44	.1995	.2405		.2105	.2255
.44	.2030	.2370		.2170	.2270
.48	.2201	.2599		.2119	.2359
.48	.2201	.2599		.2199	.2399
.48	.2236	.2564		.2264	.2414
.48	.2270	.2530		.2330	.2430
.52	.2477	.2723		.2203	.2463
.52	.2477	.2723		.2323	.2523
.52	.2511	.2689		.2388	.2539
.52	.2546	.2654		.2454	.2554
\$.48	\$.2167	\$.2633	\$.1768		
\$.44	\$.1754	\$.2646	\$.1769		

* Cost figured on basis of milk
standardized at 3.8% fat.

EFFECT OF COMPARATIVE PRICE STRUCTURES ON
 "DISTRIBUTORS'" SPREADS PER GALLON OF MILK;
 BASED UPON COST OF 4 PER CENT MILK FAT.

Schedule Showing 1¢ Store and Home Price Differential:

Buying Price Per Pound Butterfat f.o.b. "Distributors" Plants	Selling Prices Per Quart			Wholesale Structure		
	Price to Stores	Stores' Resale Price	Home Delivered Price	Selling Price	Cost	Spread
\$.46	\$.07	\$.09	\$.10	\$.28	\$.1532	\$.1218
.47	.075	.09	.10	.30	.1617	.1383
.48	.08	.09	.10	.32	.1651	.1549
.53	.08	.10	.11	.32	.1823	.1377
.54	.085	.10	.11	.34	.1857	.1543
.55	.09	.10	.11	.36	.1892	.1708
.60	.09	.11	.12	.36	.2064	.1536
.61	.095	.11	.12	.38	.2098	.1702
.62	.10	.11	.12	.40	.2133	.1867
.68	.10	.12	.13	.40	.2339	.1661
.69	.105	.12	.13	.42	.2374	.1826
.70	.11	.12	.13	.44	.2408	.1992

Forr Comparison:

Alameda County Metropolitan Area
 Structure from May 6, 1932 to April 15, 1933:

\$.63	\$.08	\$.10	\$.12	\$.32	\$.2059*	\$.1141
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Alameda County Metropolitan Area
 Structure now in effect, June 26, 1933:

\$.51	\$.07	\$.09	\$.11	\$.28	\$.1666*	\$.1134
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			"Distributors"	
			Aggregate Average	
			Spreads Per Gallon	
Retail Structure			Present Business	If 1¢ Store Differential, Change should Soon be to
Selling Price	Cost	Spread	58% Whol. 42% Retail	54% Whol. 45% Retail
\$.40	\$.1582	\$.2418	\$.1722	\$.1746
.40	.1617	.2383	.1803	.1819
.40	.1651	.2349	.1885	.1894
.44	.1823	.2577	.1881	.1903
.44	.1857	.2543	.1963	.1978
.44	.1392	.2508	.2044	.2051
.48	.2064	.2736	.2040	.2061
.48	.2098	.2702	.2122	.2135
.48	.2133	.2667	.2203	.2203
.52	.2339	.2861	.2165	.2184
.52	.2374	.2826	.2246	.2250
.52	.2408	.2792	.2328	.2332
\$.48	\$.2167	\$.2633	\$.1760	
\$.44	\$.1754	\$.2646	\$.1769	

*Cost figured on basis of milk
standardized at 3.8% fat.